

SEC



03014582 20549

MISSION

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2001
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8- 52988

**FACING PAGE**

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: eMoney Securities LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

209 West Lancaster Avenue

(No. and Street)

Paoli

PA

19301

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Matthew Schulte

610-854-4621

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

SIANA CARR & O'Connor, LLP

(Name - if individual, state last, first, middle name)

1500 E. Lancaster Ave Suite 202

Paoli

PA

19301

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 18 2003

THOMSON FINANCIAL

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (05-01)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

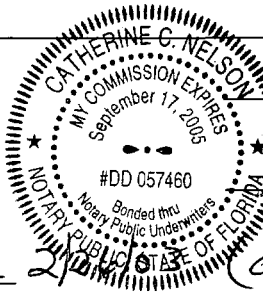
3/13

OATH OR AFFIRMATION

I, Matthew J. Schulte, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of eMoney Securities LLC, as of December 31, 20 02, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A

State of: Florida  
County of: Collier



Matthew J. Schulte  
Signature

President  
Title

Catherine C. Nelson  
Notary Public

(appropriate I.D. presented to me)

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

*Financial Report*

*eMONEY SECURITIES, LLC*

*December 31, 2002 and 2001*

**SIANA CARR & O'CONNOR, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS**

**eMONEY SECURITIES, LLC**

**Financial Statements and Supplementary Financial Information**

**For the Years Ended December 31, 2002 and 2001**

**and**

**INDEPENDENT AUDITOR'S REPORT**

**I N D E X**

	<b><u>Page Number</u></b>
Independent Auditor's Report	1
Statements of Financial Condition	2
Statements of Operations and Member's Equity	3
Statements of Cash Flows	4
Notes to Financial Statements	5
Supplementary Financial Information	
Computation of Net Capital	6
Computation for Determination of Reserve Requirement	7
Information Relating to Possession or Control Requirement	8
Notes to Supplemental Schedules	9

INDEPENDENT AUDITOR'S REPORT

To the Directors of  
eMoney Securities, LLC  
Paoli, Pennsylvania

We have audited the accompanying statements of financial condition of eMoney Securities, LLC (the Company) as of December 31, 2002 and 2001, and the related statements of operations and member's equity, and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of eMoney Securities, LLC as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with U. S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 6 to 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Siana Carr & O'Connor, LLP*  
SIANA CARR & O'CONNOR, LLP

February 10, 2003

**eMONEY SECURITIES, LLC**  
**Statements of Financial Condition**  
**December 31, 2002 and 2001**

	2002	2001
Cash	\$7,000	\$7,000
Total assets	\$7,000	\$7,000
Member's equity	\$7,000	\$7,000

(The accompanying notes are an integral part of these financial statements.)

**eMONEY SECURITIES, LLC**  
**Statements of Operations and Member's Equity**  
**For the Years Ended December 31, 2002 and 2001**

	2002	2001
Revenue:		
Commissions	\$6,500	\$17,858
Expenses:		
Management fees	6,500	17,858
Net income	-0-	-0-
Member's equity - beginning of year	7,000	7,000
Member's equity - end of year	\$7,000	\$7,000

(The accompanying notes are an integral part of these financial statements.)

**eMONEY SECURITIES, LLC**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2002 and 2001**

	2002	2001
Cash flows from operating activities:		
Net income	\$ -0-	\$ -0-
Net cash provided by operating activities	-0-	-0-
Net increase in cash	-0-	-0-
Cash - beginning of year	7,000	7,000
Cash - end of year	\$7,000	\$7,000

(The accompanying notes are an integral part of these financial statements.)



**eMONEY SECURITIES, LLC**  
**Notes to Financial Statements**  
**December 31, 2002 and 2001**

---

**(1) ORGANIZATION AND BACKGROUND**

eMoney Securities, LLC (the Company), is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers. The Company is a single member Pennsylvania limited liability company that is a wholly owned subsidiary of eMoney Advisors, Inc. (Advisors). The Company shares in the commissions earned from the sale of mutual funds, variable life insurance and variable annuities by its customers.

**(2) SIGNIFICANT ACCOUNTING POLICIES**

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**(3) NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum net capital and a ratio of aggregate indebtedness to net capital, not exceeding 15 to 1. At December 31, 2002, the Company has net capital, as defined, of \$7,000 which was \$2,000 in excess of its minimum required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0 to 1 as of December 31, 2002.

The Company has complied with the exemptive provisions of SEC Rule 15c3-3(k)(1), limiting business to the distribution of mutual funds and/or variable life insurance or annuities. The Company does not hold customer funds or safekeep customer securities. Therefore, Schedules II and III on pages 7 and 8 are not applicable.

**(4) RELATED PARTY TRANSACTIONS**

The accompanying financial statements may not necessarily be indicative of the conditions that would have existed if the Company had not been affiliated with Advisors. Advisors furnished office space, equipment and professional services to the Company at no cost. In addition, Advisors absorbed all operating expenses and assumed all liabilities of the Company. Management fees paid to Advisors for the years ended December 31, 2002 and 2001 totaled \$6,500 and \$17,858, respectively.

**SUPPLEMENTARY**

**FINANCIAL**

**INFORMATION**

## Schedule I

**eMONEY SECURITIES, LLC**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2002**

---

**Net capital:**

Total member's equity	\$7,000
Less - ownership equity not allowable for net capital	-0-

---

Total member's equity qualified for net capital	7,000
---	-------

Less - total non-allowable assets	-0-
-----------------------------------	-----

Less - haircuts on securities	-0-
-------------------------------	-----

---

Net capital	\$7,000
-------------	---------

---

Aggregate indebtedness	\$ -0-
------------------------	--------

---

Total aggregate indebtedness	\$ -0-
------------------------------	--------

---

**Computation of basic net capital requirement:**

Net capital requirement	\$5,000
-------------------------	---------

Net capital	7,000
-------------	-------

---

Excess of net capital	\$2,000
-----------------------	---------

---

Excess of net capital at 1000%	\$7,000
--------------------------------	---------

---

Ratio of aggregate indebtedness to net capital	0 to 1
--	--------

---

**eMONEY SECURITIES, LLC**  
**Computation for Determination of Reserve Requirement**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2002**

---

**Not Applicable: The Company has complied with the exemptive provisions of Rule 15c3-3 under subparagraph (k)(1). The Company's business is limited to the distribution of mutual funds and/or variable life insurance or annuities. The Company does not hold customer funds or safekeep customer securities.**

**eMONEY SECURITIES, LLC**  
**Information Relating to Possession or Control Requirement**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2002**

---

**Not Applicable: The Company has complied with the exemptive provisions of Rule 15c3-3 under subparagraph (k)(1). The Company's business is limited to the distribution of mutual funds and/or variable life insurance or annuities. The Company does not hold customer funds or safekeep customer securities.**

**eMONEY SECURITIES, LLC**  
**Notes to Supplemental Schedules**  
**December 31, 2002**

---

**Reconciliation of the audited computation of Net Capital (Schedule I) and the computation of Net Capital included in the Company's unaudited December 31, 2002 Focus Part IIA filing.**

**Not Applicable: There are no differences between the audited computation of Net Capital (Schedule I) and the computation of Net Capital included in the Company's unaudited December 31, 2002 Focus Part IIA filing.**